Please Explain:

2016 FOMC Meetings discussed in the public domain and never presume any particular policy action. FOMC members are not involved in the survey's design.

If you changed your responses to parts a and/or c since the policy survey on June 8, please explain:

If you changed your expectations since the last policy survey on June 8, please explain the factors that motivated you to make the change(s).

Please list the major factors underlying your estimate for the current level of the equilibrium federal funds rate.

Communicating on the Committee's policy of reinvesting principal payments on Treasury and agency securities:

Communicating on the expected path of policy rates and forward guidance on the target federal funds rate:

4) If you expect future levels of the equilibrium real federal funds rate to be different from its current level, please provide the major factors underlying your expectation.

1) Provide below your expectations for changes, if any, to the language referencing each of the following topics in the July FOMC statement. Limit your responses to changes you consider most likely.

Please rate the FOMC’s communication with the markets and with the public on a scale from 1 to 5, with 1 indicating ineffectiveness and 5 indicating effectiveness.

Provide your estimate of the longer-run target federal funds rate and your expectation for the average federal funds rate over the next 10 years.

Provide below your expectations for changes, if any, to the language referencing each of the following topics in the July FOMC statement. Limit your responses to changes you consider most likely.

If you expect a target range please use the midpoint of the range in the specified fields below. If you expect a target rate, provide your response in the “Target rate” field only.

In addition, provide your estimate of the longer-run target federal funds rate and your expectation for the average federal funds rate over the next 10 years.

Please list the major factors underlying your estimate for the current level of the equilibrium federal funds rate.

If you changed your responses to parts a and/or c since the policy survey on June 8, please explain the factors that motivated you to make the change(s):
b) Provide the percent chance* you attach to the unemployment rate falling within the following ranges at the time of the first increase in the target federal funds rate or range.

<table>
<thead>
<tr>
<th>Unemployment rate:</th>
<th>&lt; 5.0%</th>
<th>5.0 - 5.4%</th>
<th>5.5 - 5.9%</th>
<th>6.0 - 6.5%</th>
<th>&gt; 6.5%</th>
</tr>
</thead>
</table>

*Percentages across row should add up to 100 percent.

b) Provide the percent chance* you attach to inflation between 1 and 2 years ahead falling within the following ranges at the time of the first increase in the target federal funds rate or range.

<table>
<thead>
<tr>
<th>Inflation between 1 and 2 years ahead at liftoff:</th>
<th>&lt; 1.25%</th>
<th>1.25 - 1.74%</th>
<th>1.75 - 2.24%</th>
<th>2.25 - 2.74%</th>
<th>≥ 2.75%</th>
</tr>
</thead>
</table>

*Percentages across row should add up to 100 percent.

a) Provide your estimate for the most likely value of the following indicators at the time of the first increase in the target federal funds rate or range. When specifying values below, where appropriate, provide your estimate consistent with the last published value prior to the announcement of liftoff. For reference, the level of total U.S. employees on nonfarm payrolls for June, seasonally adjusted, was 141.0 million.

- **Unemployment rate:**
- **Labor force participation rate:**
- **Total U.S. employees on nonfarm payrolls (millions):**
- **12-month change in average hourly earnings:**
- **Core 12-month PCE Inflation:**
- **Headline 12-month PCE Inflation:**
- **Inflation between 1 and 2 years ahead (at liftoff):**

Please note how you expect the Committee’s approach to policy normalization to evolve over time. Additionally, comment on any changes you expect over time in the relative levels of money market rates and the expected amount of O/N RRP usage.

d) Provide your forecast for the expected levels of the following indicators at the time periods provided below. If you expect a target range, please enter the range. If you do not believe a particular tool will be used during one or more of the time periods below, please enter "N/A." If you do not believe a cap on the O/N RRP will be employed at a particular time period, please write "no cap.

<table>
<thead>
<tr>
<th>Rate of interest on excess reserves (in percent):</th>
<th>1 Quarter Prior to Liftoff</th>
<th>Immediately Following Liftoff</th>
<th>1 Year Following Liftoff</th>
<th>3 Years Following Liftoff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target federal funds rate or range (in percent):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effective federal funds rate (in percent):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ON RRP rate (in percent):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overnight Treasury GCF repo rate (in percent):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3-month U.S. Treasury bill rate (in percent):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expected demand for ON RRP ($ billions):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expected cap on ON RRP ($ billions):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Please note how you expect the Committee’s approach to policy normalization to evolve over time. Additionally, comment on any changes you expect over time in the relative levels of money market rates and the expected amount of O/N RRP usage.

b) In its Policy Normalization Principles and Plans, the Committee indicated that it "expects to cease or commence phasing out reinvestments" after liftoff. For Treasuries and agency debt and MBS, please indicate the percent chance* you attach to the Committee during the process of policy normalization ceasing its reinvestments all at once, phasing out its reinvestments over time, or not changing its reinvestments.

<table>
<thead>
<tr>
<th>Treasuries:</th>
<th>Quarter &amp; Year</th>
<th>Number of months relative to liftoff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agency debt and MBS:</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Please explain the factors behind any change in your expectations in either part a and/or b since the policy survey on June 8.

Please explain the factors behind any change in your expectations in either part a and/or b since the policy survey on June 8.

a) If you placed a non-zero probability on reinvestments being phased out over time, please indicate the number of months over which you expect this to occur.

<table>
<thead>
<tr>
<th>Treasuries:</th>
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Please explain your assumptions for what factors would likely drive the pace at which reinvestments are phased out.

b) In its Policy Normalization Principles and Plans, the Committee indicated that it “expects to cease or commence phasing out reinvestments” after liftoff. For Treasuries and agency debt and MBS, please indicate the percent chance* you attach to the Committee during the process of policy normalization ceasing its reinvestments all at once, phasing out its reinvestments over time, or not changing its reinvestments.

<table>
<thead>
<tr>
<th>Treasuries:</th>
<th>No Change to Reinvestments</th>
<th>Reinvestments Ceased</th>
<th>Reinvestments Phased Out of Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agency debt and MBS:</td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

Please explain the factors behind any change in your expectations in either part a and/or b since the policy survey on June 8.

Please explain the factors behind any change in your expectations in either part a and/or b since the policy survey on June 8.

a) Provide your estimate of the most likely quarter and year during which the FOMC will first cease reinvesting some or all payments of principal on Treasuries and/or agency debt and MBS. In addition, please provide your expectation for the timing, in months, relative to the first increase in the target rate or range. If you do not expect the FOMC to cease reinvestments for either or both asset classes during the process of policy normalization, please select "N/A." Please ensure your signs are correct.

<table>
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<tr>
<th>Treasuries:</th>
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Please explain the factors behind any change in your expectations in either part a and/or b since the policy survey on June 8.

Please explain the factors behind any change in your expectations in either part a and/or b since the policy survey on June 8.

Economic Indicator Forecasts

7) For the outcomes below, provide the percent chance* you attach to the annual average CPI inflation rate from July 1, 2015 - Jun 30, 2020. Please also provide your point estimate for the most likely outcome.

<table>
<thead>
<tr>
<th>Point estimate for most likely outcome:</th>
<th>≤1.00%</th>
<th>1.01-1.50%</th>
<th>1.51-2.00%</th>
<th>2.01-2.50%</th>
<th>2.51-3.00%</th>
<th>≥3.01%</th>
</tr>
</thead>
</table>

*Percentages across row should add up to 100 percent.
1) How do you expect the July FOMC statement to influence market perceptions of the stance of monetary policy, if at all? (1 = less accommodative, 3 = neutral, 5 = more accommodative)

**Perceived stance of monetary policy:**

1. Less Accommodative
2.
3. Neutral
4.
5. More Accommodative

2) How would you grade the Federal Reserve System's communication with the markets and with the public since the June 8? Please provide a rating between 1 and 5, with 1 indicating ineffectiveness and 5 indicating effectiveness.

**Communication grade:**

5. — Very Effective
4.
3.
2.
1. — Very Ineffective

3) Of the possible outcomes below, provide the percent chance you attach to the timing of the first increase in the federal funds target rate or range. Also, provide your estimate for the most likely meeting for the first increase.

**Estimate for most likely meeting for first increase in target rate or range:**

- July 2015
- September 2015
- October 2015
- December 2015
- January 2016
- March 2016
- April 2016
- June 2016
- July 2016
- September 2016
- November 2016
- December 2016

4) Provide your estimate of the most likely quarter and year during which the FOMC will first cease reinvesting some or all payments of principal on Treasuries and/or agency debt and MBS. In addition, please provide your expectation for the timing, in months, relative to the first increase in the target rate or range. If you do not expect the FOMC to cease reinvestments for either or both asset classes during the process of policy normalization, please select “N/A.” Please ensure your signs are correct.

**Quarter & Year:**

- Q3 2015
- Q4 2015
- Q1 2016
- Q2 2016
- Q3 2016
- Q4 2016
- Q1 2017
- Q2 2017
- Q3 2017
- Q4 2017
- = Q1 2018
- N/A